

**Handling Fee Monthly Expenditure FY 02/03
February 19, 2004**

Effective January 1, 1993, Assembly Bill 87/Sher established the handling fee program in order to provide an incentive for the redemption of empty beverage containers in convenience zones. From January 1993 through December 1999, the annual handling fee allotment was \$18.5 million. In January 2000, Senate Bill 332 was enacted resulting in the annual handling fee allocation being increased to \$23.5 million and the monthly payment cap per recycling center being increased from \$1,800 to \$2,300.

For the first time since the enactment of SB 332, the handling fee fund was not sufficient to pay all the otherwise eligible claims. As a result, a number of eligible recycling centers were denied handling fee payments for the June 2002 period. For the current fiscal year (2002/2003), the Division of Recycling (Division) will continue to pay all eligible and qualified handling fee requests each month until the expenditure from the fund totals \$23,500,000. ***Note: ≈ \$50,000 is reserved to cover the appeals for FY 2002/2003. The final date to submit appeals for FY 2002/2003 is September 30, 2003. Any money remaining after all appeals are processed will be distributed, based on eligible volume, to May 2003 handling fee participants that were denied due to lack of funds.*

Handling Fee Month	Monthly HF Expenditure FY 2002/2003	HF Fund \$23.5 million: Balance
July 2002	\$2,180,778.06	\$21,319,221.94
August 2002	\$2,210,842.89	\$19,108,379.05
September 2002	\$2,148,781.83	\$16,959,597.22
October 2002	\$2,164,768.19	\$14,794,829.03
November 2002	\$2,093,840.80	\$12,700,988.23
December 2002	\$2,001,829.55	\$10,699,158.68
January 2003	\$2,203,252.92	\$8,495,905.76
February 2003	\$2,066,101.45	\$6,429,804.31
March 2003	\$2,186,760.09	\$4,243,044.22
April 2003	\$2,205,716.42	\$1,987,327.80
May 2003	\$1,987,327.80	\$50,672.00
**May 2003	\$49,864.79	\$807.21
June 2003	\$0 — all eligible claims denied due to lack of funds	\$0

On January 1, 2004, Assembly Bill 28 was enacted which increased the handling fee fund for FY 2002/2003 to \$26.5 million. This \$3 million increase made it possible to pay claims for May 2003 and June 2003 that were previously denied due to lack of funds. The following chart shows updated payment data for May and June 2003.

Handling Fee Month	Month Processed	Monthly HF Expenditure FY 2002/2003	HF Fund \$26.5 million: Balance
May 2003	Jan 2004	\$112,949.96	\$2,887,857.25
June 2003	Jan 2004	\$2,024,016.35	\$863,840.90

Further information on the handling fee allotment can be obtained by contacting Wendy Bartlett or Nancy Manfred at (916) 322-5689 or wbartlett@conservation.ca.gov or nmanfred@conservation.ca.gov.